

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7367

BILL NUMBER: HB 1521

NOTE PREPARED: Jan 9, 2009

BILL AMENDED:

SUBJECT: False Campaign Material.

FIRST AUTHOR: Rep. Truitt

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: The bill makes it a Class A misdemeanor for a person to intentionally participate in the preparation, dissemination, or broadcast of paid political advertising or campaign material, or in the drafting of a letter to the editor, that:

- (1) concerns the personal or political character or act of a candidate or the effect of a ballot question; and
- (2) is designed to or tends to elect, injure, promote, or defeat the candidate or promote or defeat the public question; if the advertising or campaign material or the letter contains information or a statement that was false and the person knew of the falsity or acted with reckless disregard as to truth or falsity.

It exempts a person who merely disseminates or broadcasts the material or letter in the normal course of business.

The bill also provides that a candidate for nomination or election to public office (if successful) forfeits the nomination or public office if the candidate commits a violation, unless the candidate's violation was trivial or occurred despite the candidate's good faith.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues: If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A

misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures: A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Karen Firestone, 317-234-2106.